

Introduced by Senator Florez

February 14, 2003

An act to amend Sections 4453.5 and 5753 of the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

SB 237, as introduced, Florez. Vehicles: transfer of legal ownership.

Existing law provides that it is unlawful for any person to fail or neglect to properly endorse, date, and deliver the certificate of ownership of a vehicle to a transferee who is lawfully entitled to a transfer of vehicle registration.

This bill would require a lienholder to cause delivery of the certificate of ownership, within 10 days of satisfaction of a security interest, to a transferee who, due to the satisfaction of a security interest, is entitled to a transfer of legal ownership. If a lease provides a lessee with the option to purchase the leased vehicle, the bill would require the lessor, within 10 days of receiving payment in full for the purchase, and all required documents, to cause delivery of the certificate to the transferee who, due to purchase of the vehicle, is lawfully entitled to transfer of legal ownership. The bill would require a lienholder or lessor who fails to transfer the certificate of ownership within that 10-day period to pay \$25 per day to the transferee for each day the following the 10-day period that no payment is made, not to exceed \$2,500. The bill would treble the amount if the lienholder or lessor fails to pay the required amount within 60 days of written demand and would entitle the transferee to costs and reasonable attorney fees incurred in any action brought to collect the payment.



By changing the definition of a crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 4453.5 of the Vehicle Code is amended
2 to read:

3 4453.5. (a) In the case of leased vehicles, the lessor and the
4 lessee shall be shown on the registration card as the owner and the
5 lessee of a vehicle, and the department shall designate their
6 relationships upon the card and the ownership certificate by the
7 words “lessor” and “lessee” and, at the election of the lessor, the
8 department may designate thereon either the address of the lessor
9 or the lessee.

10 (b) Transfers of ownership involving vehicles registered as
11 provided in subdivision (a) shall only be effected upon the
12 signature release of the lessor.

13 (c) The lessor shall provide the address, or the name and
14 address, of the lessee on a form prescribed by the department in all
15 cases where the information is not on the registration card and
16 ownership certificate. Information received under this subdivision
17 shall be used only for law enforcement and shall be available only
18 to law enforcement officials at their request.

19 ~~(d) This section shall become operative on July 1, 1986. A~~
20 *lessor shall, upon written request of the lessee or, if designated in*
21 *writing, the lessee’s designee, disclose any pertinent information*
22 *regarding the amount of payment necessary to exercise any option*
23 *held by the lessee to purchase the leased vehicle.*

24 SEC. 2. Section 5753 of the Vehicle Code is amended to read:

25 5753. (a) It is unlawful for any person to fail or neglect
26 properly to endorse, date, and deliver the certificate of ownership
27 and, when having possession, to deliver the registration card to a

1 transferee who is lawfully entitled to a transfer of registration.

2 ~~Except~~

3 (b) *Except* when the certificate of ownership is demanded in
4 writing by a purchaser, a vehicle dealer licensed under this code
5 shall satisfy the delivery requirement of this section by submitting
6 appropriate documents and fees to the department for transfer of
7 registration in accordance with Sections 5906 and 4456 of this
8 code and rules and regulations promulgated thereunder.

9 (c) (1) *Within 10 days after receipt of satisfaction of a security*
10 *interest, a lienholder shall cause the vehicle's certificate of*
11 *ownership to be delivered to the transferee who, due to satisfaction*
12 *of the security interest, is lawfully entitled to the transfer of legal*
13 *ownership.*

14 (2) *If a lease provides a lessee with the option to purchase the*
15 *leased vehicle, within 10 days after receiving payment in full for*
16 *the purchase, and all required documents, the lessor shall cause*
17 *the vehicle's certificate of ownership to be delivered to the*
18 *transferee, who, due to purchase of the vehicle, is lawfully entitled*
19 *to the transfer of legal ownership.*

20 (d) *The certificate of ownership delivered pursuant to*
21 *subdivision (c) shall be signed by the lienholder or lessor to reflect*
22 *release of the lienholder's or lessor's interest in the vehicle or*
23 *accompanied by a form provided by the department to accomplish*
24 *the same result and signed by the lienholder or lessor. If the*
25 *lienholder or lessor is not in possession or control of the certificate*
26 *of ownership, the lienholder or lessor shall, within the time*
27 *provided in subdivision (c) for delivery of the certificate of*
28 *ownership, take any action required by the department to release*
29 *the lienholder's or lessor's interest in the vehicle and within that*
30 *time shall cause written notice of its taking that action to be*
31 *delivered to the transferee.*

32 (e) *A lienholder or lessor that fails to satisfy the requirements*
33 *of subdivisions (c) and (d), shall, without offset or reduction, pay*
34 *the transferee twenty-five dollars (\$25) per day for each day that*
35 *the requirements of subdivisions (c) and (d) remain unsatisfied, not*
36 *to exceed a maximum payment of two thousand five hundred*
37 *dollars (\$2,500). If the lienholder or lessor fails to pay this amount*
38 *within 60 days following written demand by the transferee, the*
39 *amount shall be trebled, not to exceed a maximum payment of*
40 *seven thousand five hundred dollars (\$7,500), and the person*

1 *entitled to receive this payment shall be entitled to costs and*
2 *reasonable attorneys fees incurred in any action brought to collect*
3 *the payment. The right to recover such payments is cumulative with*
4 *and is not in substitution or derogation of any remedy otherwise*
5 *available at law or equity.*

6 *(f) A lienholder, upon written request of the transferee, shall*
7 *disclose any pertinent information regarding the obligation*
8 *secured by the lienholder's interest.*

9 SEC. 3. No reimbursement is required by this act pursuant to
10 Section 6 of Article XIII B of the California Constitution because
11 the only costs that may be incurred by a local agency or school
12 district will be incurred because this act creates a new crime or
13 infraction, eliminates a crime or infraction, or changes the penalty
14 for a crime or infraction, within the meaning of Section 17556 of
15 the Government Code, or changes the definition of a crime within
16 the meaning of Section 6 of Article XIII B of the California
17 Constitution.

